

## PROPERTY TAX BASE INFORMATION

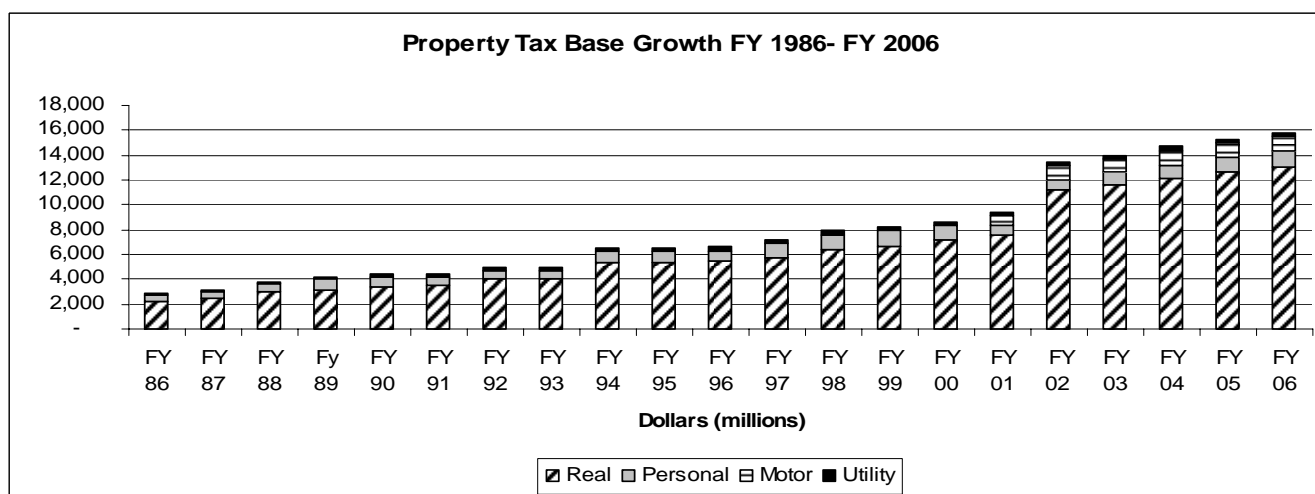
### Tax Base Components:

**Real Property** is comprised of all land and buildings that are taxable. A growth rate of 3.98% is assumed for FY 2005-06 based on data from the County Tax Assessor's Office, historical growth patterns and the rate of development in Durham. Real property makes up approximately 83% of the tax base for FY 2005-06.

**Personal Property** is comprised of property located in businesses. We assume a slight decline of 0.32% based on data from the County Tax Assessor's office and overall reductions in business inventories. Personal property makes up approximately 8% of the tax base in FY 2005-06. Motor Vehicles were included in this category prior to FY 1998-99.

**Motor Vehicle** is comprised of items such as automobiles, boats, trailers and equipment. We assume a growth rate of 1.45% for motor vehicle personal property based on data from the County Tax Assessor's office and historical growth patterns. Motor Vehicle property makes up approximately 7% of the tax base in FY 2005-06.

**Public Utility Property** is a state-certified value consisting of businesses such as electric utility, telephone, railroad, and trucking companies. We assume a reduction in value of 4.42% based on data from the County Tax Assessor's office. Public utility property makes up approximately 2% of the tax base in FY 2005-06.



The table below depicts the annual property valuation changes that have occurred in the four components of the tax base since FY 1995-96. Property is reassessed every eight years. The last revaluation occurred in FY 2001-02. (Sources: City Financial Reports, County Tax Office)

Fiscal Year	Real	% Chg	Personal	% Chg	Motor	% Chg	Utility	% Chg
FY 96	5,466	2.61%	1,282	6.85%	-	N/A	302	18.7%
FY 97	5,681	3.93%	1,237	-3.55%	-	N/A	301	-0.2%
FY 98	6,329	11.41%	1,259	1.81%	-	N/A	271	-10.0%
FY 99	6,707	5.98%	775	-38.49%	844	N/A	303	11.7%
FY 00	7,124	6.22%	869	12.18%	1,121	32.86%	313	3.2%
FY 01	7,520	5.55%	954	9.74%	1,125	0.28%	278	-11.0%
FY 02	11,171	48.56%	1,139	19.44%	1,147	2.03%	379	36.3%
FY 03	11,652	4.31%	1,186	4.14%	1,175	2.41%	345	-9.1%
FY 04	12,099	3.83%	1,248	5.23%	1,162	-1.11%	334	-3.2%
FY 05	12,594	4.09%	1,244	-0.32%	1,169	0.60%	324	-2.9%
FY 06	13,095	3.98%	1,240	-0.32%	1,186	1.45%	310	-4.4%

## TAX RATE AND ESTIMATED TAX COLLECTIONS

	Actual FY 2003-04	Adopted FY 2004-05	Estimated FY 2004-05	Adopted FY 2005-06
Assessed Value				
Real Property	\$ 12,118,323,714	\$ 12,510,330,734	\$ 12,594,153,478	\$ 13,094,926,790
Personal Property	1,253,504,542	1,289,377,534	1,244,252,416	1,240,252,416
Motor Vehicles	1,157,081,116	1,200,341,089	1,168,738,776	1,185,738,776
Public Utility Property	244,969,617	325,000,000	324,334,901	310,000,000
Assessed Valuation	\$ 14,773,878,989	\$ 15,325,049,357	\$ 15,331,479,571	\$ 15,830,917,982
Tax Rate Per \$100 Valuation				
General Fund	0.5365	0.5745	0.5745	0.5745
Civic Center	0.0085	0.0085	0.0085	0.0085
Total Tax Rate	0.5450	0.5830	0.5830	0.5830
Tax Levy	\$ 80,517,640	\$ 89,345,038	\$ 89,382,526	\$ 92,294,252
Less, Uncollected Taxes	\$ (2,721,496)	\$ (2,349,774)	\$ (2,350,760)	\$ (1,993,556)
Estimated Collectable Levy	\$ 77,796,144	\$ 86,995,264	\$ 87,031,765	\$ 90,300,696
Appropriated to:				
General Fund	\$ 76,582,810	\$ 85,726,894	\$ 85,762,863	\$ 88,984,134
Civic Center	\$ 1,213,334	\$ 1,268,370	\$ 1,268,902	\$ 1,316,562
*one cent equals	\$ 1,427,452	\$ 1,492,200	\$ 1,492,826	\$ 1,548,897

The FY 2005-06 budget includes no increase in the property tax rate.

The tax levy is the product of the tax rate and the assessed valuation divided by 100. The tax levy is adjusted for uncollected taxes and discounts.

- The tax levy is adjusted for an assumed amount of uncollected taxes. By state law, the City must account for uncollected taxes at the level of uncollected taxes projected at June 30. For FY 2005-06 the amount of uncollected taxes is equal to 2.16% of the tax levy.
- Tax bills are sent as soon as practical after July 1 and are considered delinquent on January 5.

The budget for current property taxes is based on the amount of estimated property tax collections. The General Fund and the Civic Center Fund receive tax collections based on the proportion of dedicated cents on the tax rate. The Civic Center Fund receives 0.85 cents, which is 1.4% of collections. The General Fund receives 98.6% of collections.